

VZCZCXRO8690
OO RUEHFL RUEHKW RUEHLA RUEHNP RUEHROV RUEHSR
DE RUEHTH #1687/01 3521631
ZNY CCCCC ZZH
O 171631Z DEC 08
FM AMEMBASSY ATHENS
TO RUEHC/SECSTATE WASHDC IMMEDIATE 2935
INFO RUEHZL/EUROPEAN POLITICAL COLLECTIVE PRIORITY
RUEKJCS/OSD WASHINGTON DC PRIORITY
RHEHAAA/NSC WASHINGTON DC PRIORITY
RUEKJCS/JOINT STAFF WASHDC PRIORITY

C O N F I D E N T I A L SECTION 01 OF 02 ATHENS 001687

SIPDIS

E.O. 12958: DECL: 12/16/2018
TAGS: [PGOV](#) [PREL](#) [ECON](#) [SOCI](#) [GR](#)
SUBJECT: PM KARAMANLIS DISCUSSES RIOTS, VATOPAIDION
SCANDAL, ECONOMY

REF: A. ATHENS 1476
[B](#). THESSALONIKI 84
[C](#). THESSALONIKI 81

Classified By: ACTING POLITICAL COUNSELOR JEFF HOVENIER. REASONS 1.4 (B) AND (D).

[1](#)1. (SBU) SUMMARY: In a widely publicized December 16 speech to his ruling New Democracy (ND) party caucus in Parliament, Prime Minister Karamanlis took what is now a familiar line of sharply criticizing the actions of the accused police officer while simultaneously condemning the street violence and destruction. Following release of five different reports on the Vatopaidion land-swap scandal by the different parties in Parliament, Karamanlis took the uncommon step of acknowledging that his government bore a share of the responsibility for the scandal but blamed subordinates for keeping him uninformed. He took a bleak view of Greece's current economic situation, saying there were no ready answers or easy solutions. END SUMMARY.

Karamanlis on The Riots

[1](#)2. (SBU) In his speech, Karamanlis termed the recent riots a "blow" to the Greek economy and a stain on the country's image. In not-so-subtle criticism of the policemen who shot 15-year-old Alexandros Grigoropoulos on December 6, the PM "condemned with abhorrence" the incident, noting it was "beyond every boundary of official duty." At the same time, the PM stressed that violence, vandalism, looting, and destruction "must be unequivocally condemned by all," and termed the rioters "enemies of social peace" and democracy.

[1](#)3. (SBU) Karamanlis robustly defended the GOG's response to the riots, emphasizing that he had placed priority on defending human lives, and terming his response "cool headed." But he noted that "operational aspects" of the GOG response were under review and promised he would take appropriate steps once the review was complete. He also emphasized that the riots should "not be confused with the concerns of the young generation."

Karamanlis on Monastery Scandal

[1](#)4. (SBU) NOTE: Parliamentary investigation of the government's land-swap with the Vatopaidion monastery concluded on December 15 with release of separate reports from each of the five Parliamentary parties. The ruling ND report acknowledged improprieties but did not apportion blame. Opposition reports identified specific individuals for further investigation, some of whom remain in government. The government is under no obligation, however, to follow up on these reports. END NOTE.

15. (SBU) In his speech to Parliament, the Prime Minister said that "we straightforwardly assume our share of the responsibility," noting that he had "underestimated" the issue and did not have "the full picture," when he first spoke about it publicly. Karamanlis said that certain monks "acted beyond their spiritual mission" and took advantage of the government. Karamanlis said that the government had "an objective political responsibility" for the situation. He then criticized opposition PASOK for seeking to exploit the scandal for political gain.

Karamanlis on the Economy -- Bleak

16. (SBU) Karamanlis criticized rumors of potential refinancing of Greek public debt, terming them "tendentious, irresponsible, and dangerous." He noted that the financial crisis had had a greater effect in Europe than anticipated and noted that this affected Greece as well. "There are no ready answers and easy solutions." Karamanlis again criticized main opposition PASOK for seeking to exploit the issue for political gain, noting that what was at stake "is not the government or one party, but the country's course and the future of the young generation." He took strong exception with PASOK claims that the government was "giving away" money to Greek banks, emphasizing that it was injecting needed liquidity into the financial system.

Opposition Response

ATHENS 00001687 002 OF 002

17. (SBU) PASOK Spokesman George Papaconstantinou responded that Karamanlis was "misled" and should have sought the resignation of additional government officials implicated in the Vatopaidion scandal. Left coalition SYRIZA leader Alex Tsipras also termed the PM's response to the scandal an effort to "avoid" explaining what really happened. PASOK President George Papandreou said the opposition would continue to press for a more robust Parliamentary investigation.

COMMENT

18. (C) Karamanlis broke no new ground in discussing the rioting, taking what has become his familiar line of sharply criticizing the actions of the accused police officer while simultaneously condemning the street violence and destruction. His statements on the policeman reinforce the widely held view that the officer is guilty even without a trial and will make it more difficult for the public to change its collective mind, should the forensic investigation reveal that the fatal shooting was the result of a ricochet.

19. (C) Karamanlis' "mea culpa" on the Vatopaidion scandal, although out of the ordinary for Greece, gave away little. The PM acknowledged that he had not been fully informed and that some improprieties occurred. He did not identify any specific additional steps the government would take in response to the controversial and suspicious land-swap. We are skeptical that this statement will assuage public skepticism about the scandal.
SPECKHARD